



Ontario Specialty Contracting, Inc.

Environmental Remediation Demolition / Dismantlement

January 12, 2009

Mr. Robert Randazzo
Delphi Powertrain
1000 Lexington Ave.
Rochester, New York

RE: DIE CAST DEMOLITION

Dear Bob,

I would like to continue our discussion with Delphi concerning the state of the current scrap market and our contract with Delphi for the Demolition and Decommissioning of the Aluminum Die Cast Plant.

As we discussed, the Market value of the scrap metal funding the Demolition & Decommissioning of the Aluminum Die Cast Plant has dropped significantly from \$1,326,850 to an estimated \$451,750 (based on current pricing). This unprecedented drop is an unforeseen condition that could not have been reasonably predicted.

As a direct result of the change of condition, OSC is proposing the following:

- A revision to the Original Contract value from <\$271,033> to \$175,000
- A revision to the completion date from December 15, 2008 to January 30, 2010 (allowing OSC to store scrap metals onsite until market conditions improve) a bi-monthly review will be held between OSC and onsite Delphi Representatives to discuss market outlook
- A change order to be paid to OSC immediately for additional work completed
 - Additional Asbestos Abatement - \$41,500
 - Additional Utility Work - \$22,000

Based on the above OSC is expecting to lose \$200,000 to 300,000 on the project, depending on the market conditions going forward. We have to date spent on a cash to cash basis approximately \$600,000. OSC is continuing to complete the project and trying to mitigate expenses. However, this changed condition is too significant in scope and magnitude to overcome.

Please contact me at your earliest convenience to set up a meeting with the appropriate parties to discuss this issue.

Sincerely,

Peter M. Hartung Jr., P.E.
Sr. Project Manager
Ontario Specialty Contracting

FERROUS METALS		Estimated Quantity (GT)	Price at Scrap Yard	Total Scrap Value	Value to Delphi Total value	Preparation Fee	Price / GT	Value to OSC Total value
Prepared Plate & Structural		1080	\$ 450.00	\$ 486,000.00	\$ 390.00	\$ 421,200.00	\$ 35.00	\$ 25.00 \$ 27,000.00
Unprepared - Miscellaneous		1620	\$ 410.00	\$ 664,200.00	\$ 365.00	\$ 591,300.00	\$ -	\$ 45.00 \$ 72,900.00
Total		2700	\$ 426.00	\$ 1,150,200.00	\$ 375.00	\$ 1,012,500.00	\$ 37.00	\$ 99,900.00
NON-FERROUS METALS		Estimated Quantity (lbs)	Price at Scrap Yard	Total Scrap Value	Value to Delphi Total value	Preparation Fee	Price / lbs	Value to OSC Total value
#1 Copper		9500	\$ 2.85	\$ 27,075.00	\$ 2.50	\$ 23,750.00	\$ 0.10	\$ 0.25 \$ 2,375.00
#2 Copper		25000	\$ 2.45	\$ 61,250.00	\$ 2.15	\$ 53,750.00	\$ 0.12	\$ 0.18 \$ 4,500.00
Miscellaneous Wire		33000	\$ 2.00	\$ 88,325.00	\$ 1.75	\$ 57,750.00	\$ -	\$ 0.25 \$ 6,875.00
Total		67500	\$ 2.62	\$ 176,650.00	\$ 2.00	\$ 135,250.00	\$ 0.20	\$ 13,750.00

ONTARIO SPECIALTY CONTRACTING DELPHI DEMOLITION SCRAP BREAKDOWN 1/12/2009								
FERROUS METALS		Estimated Quantity (GT)	Price at Scrap Yard	Total Scrap Value	Value to Delphi Total value	Preparation Fee	Price / GT	Value to OSC Total value
Prepared Plate & Structural		1080	\$ 130.00	\$ 140,400.00	\$ 390.00	\$ 421,200.00	\$ 35.00	\$ (235.00) \$ (253,800.00)
Unprepared - Miscellaneous		1620	\$ 130.00	\$ 210,600.00	\$ 365.00	\$ 591,300.00	\$ -	\$ (190.00) \$ (307,800.00)
Total		2700	\$ 130.00	\$ 351,000.00	\$ 375.00	\$ 1,012,500.00	\$ (208.00)	\$ (361,600.00)
Non-Ferrous Metals		Estimated Quantity (lbs)	Price at Scrap Yard	Total Scrap Value	Value to Delphi Total value	Preparation Fee	Price / lbs	Value to OSC Total value
#1 Copper		9500	\$ 1.75	\$ 16,625.00	\$ 2.50	\$ 23,750.00	\$ 0.10	\$ (0.50) \$ (4,750.00)
#2 Copper		25000	\$ 1.35	\$ 33,750.00	\$ 2.15	\$ 53,750.00	\$ 0.12	\$ (0.62) \$ (15,500.00)
Miscellaneous Wire		33000	\$ 0.80	\$ 50,375.00	\$ 1.75	\$ 57,750.00	\$ -	\$ (0.70) \$ (20,250.00)
Total		67500	\$ 1.49	\$ 100,750.00	\$ 2.00	\$ 135,250.00	\$ (0.60)	\$ (40,500.00)